

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: County Assessors and County Auditors

CC: County Council and County Commissioners

FROM: Cheryl A.W. Musgrave, Commissioner *WMM*
Timothy J. Rushenberg, General Counsel *TJR*

DATE: June 2, 2008

SUBJECT: Circuit Breakers

1. This memorandum is in response to recent concerns on processing Circuit Breakers throughout the state. The intent of this memorandum is to inform county assessors and county auditors of the various cap rates for all property classes, the senior citizen tax bill limiter credit, and the impact of the changes to the "Circuit Breaker" that were recently passed into law on March 19, 2008 in House Enrolled Act (HEA) 1001 (Public Law 146-2008). This memorandum is an executive summary of the "Circuit Breaker" law. The memorandum separately addresses each year for which property taxes are due and payable, and discusses the application of the circuit breaker caps to those years. The items in **bold** are of particular importance, or indicate a change to the law.

2007-pay-2008

2. 2007-pay-2008:

a. *Homesteads*. For purposes of the Circuit Breaker for residential property, IC 6-1.1-20.6-2 states that the definition of "homestead" is the same as that set forth in the homestead credit chapter (IC 6-1.1-20.9). HEA 1001, Section 229, amended IC 6-1.1-20.9-1 to include reference to a tenant-stockholder of a cooperative housing corporation. This addition to the definition is **effective as of March 19, 2008**. Thus, "Homestead" now means "an individual's principal place of residence" which:

(1) is located in Indiana;

(2) the individual:

(a) owns;

(b) is buying under a contract, recorded in the county recorder's office, that provides the individual is to pay the property taxes on the residence; *or*

(c) is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216) [first applied to property taxes first due and payable in 2009, per HEA 1293 (P.L. 144-2008)]; and

(3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

b. *Dwelling.* IC 6-1.1-20.9-1 still defines “Dwelling” as any of the following:

(1) Residential real property improvements that an individual uses as the individual’s residence, including a house or garage.

(2) A mobile home that is not assessed as real property that an individual uses as the individual’s residence (i.e., annually assessed mobile home on January 15 of each year).

(3) A manufactured home that is not assessed as real property that an individual uses as the individual’s residence (i.e., annually assessed manufactured home on January 15 of each year).

c. *Credit Against Tax Liability.* IC 6-1.1-20.6-6.5(b) states that a person is entitled to a credit against their property tax liability for property taxes attributable to their homestead. Per IC 6-1.1-20.6-7, which was amended by HEA 1001, Section 222 and is **effective as of January 1, 2008 (retroactive)**, the Circuit Breaker credit is the amount the person’s property tax liability is attributable to their homestead that **exceeds two percent (2%) of the gross assessed value**. For taxes first due and payable in 2008, the amount of the Circuit Breaker credit to which a person is entitled **must be determined without including a taxpayer’s property tax liability for tuition support**. A school corporation’s tuition support property tax levy collections may not be reduced because of the Circuit Breaker credit. Also, IC 6-1.1-21.2-15(d), says that “[n]otwithstanding any other provision of this chapter [tax increment replacement] or IC 6-1.1-20.6 [circuit breaker credit], a governing body may file with the county auditor a certified statement providing that for purposes of computing and applying a credit under IC 6-1.1-20.6 for a particular calendar year, a taxpayer’s property tax liability does not include the liability for a tax levied under this chapter....” This provision of the section is repealed on January 1, 2009; thus, it will only apply to 2007-pay-2008.

d. *Example.*

Example 1 -- Taxpayer has a homestead (1 acre, 1 dwelling, and 1 garage) with an assessed value of \$100,000 before deductions. If the total tax on all funds (i.e., every fund in every taxing unit) is \$3,000, and the total tax on the school general fund and tax increment replacement (TIR) is \$300. The circuit breaker cap is two percent (2%) of the \$100,000 assessed value, or \$2,000. **The circuit breaker credit is \$700 (\$2,700 tax on all funds except school general fund and TIR minus the \$2,000 circuit breaker cap).** The tax bill on all funds, except for school general fund and TIR, is \$2,000 (i.e., the circuit breaker cap), and the tax on the school general fund and TIR is \$300, for a total tax bill of \$2,300.

2008-pay-2009

3. 2008-pay-2009.

a. *Classifications of Property Affected.*

(1) *Homestead*. HEA 1001, Section 215, **effective as of January 1, 2009**, amended IC 6-1.1-20.6-2 and changes the definition to match that which is set forth in the homestead standard deduction section (IC 6-1.1-12-37), as amended in HEA 1001, as opposed to the current 2008 definition set forth in the homestead credit chapter (IC 6-1.1-20.9). The reason for the change is that the homestead credit chapter (IC 6-1.1-20.9) was repealed by HEA 1001, Section 813 effective on January 1, 2009. Despite this amendment and repeal of the homestead credit chapter, the abovementioned definition of “homestead” remains the same for purposes of the homestead standard deduction.

(2) *Residential Property*. HEA 1001, Section 221, amended IC 6-1.1-20.6-4, **effective as of January 1, 2009**, and defines “residential property” as real property that consists of any of the following:

(a) A single family dwelling that is *not* part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.

(b) Real property that consists of:

(i) a building that includes two (2) or more dwelling units;

(ii) any common areas shared by the dwelling units; *and*

(iii) the land, not exceeding the area of the building footprint, on which the building is located.

(c) Land rented or leased for the placement of a manufactured home or mobile home, **including any common areas shared by the manufactured homes or mobile homes** [bold added by HEA 1125 (P.L. 131-2008), Section 4 to HEA 1001, as amended, effective January 1, 2009]. **The Department interprets this section to include mobile home parks as “residential property” for purposes of the Circuit Breaker Credit.**

(3) *Long term care property*. HEA 1001, Section 216 added IC 6-1.1-20.6-2.3 as a new section to the Indiana Code, **effective as of January 1, 2009**, to define “long term care property” as property that:

(a) is used for the long term care of an impaired individual; *and*

(b) is one of the following:

(i) A health facility licensed under IC 16-28 [health facilities].

(ii) A housing with services establishment (as defined in IC 12-10-15-3) that is allowed to use the term “assisted living” to describe the housing with services establishment’s services and operations to the public.

(iii) An independent living home that, under contractual agreement, serves not more than eight (8) individuals who:

(A) have a mental illness or developmental disability;

(B) require regular but limited supervision; *and*

(C) reside independently of their families.

(4) Agricultural land. HEA 1001, Section 213 added IC 6-1.1-20.6-0.5 as a new section to the Indiana Code, **effective on January 1, 2009**, to define “agricultural land” as land assessed as agricultural land under the real property assessment rules and guidelines of the Department.

(5) Nonresidential real property. HEA 1001, Section 218 added IC 6-1.1-20.6-2.5 as a new section to the Indiana Code, **effective on January 1, 2009**, to define “nonresidential real property” as any of the following:

(a) **Real property** that:

(i) is *not*:

(A) a homestead; or

(B) residential property; *and*

(ii) consists of:

(A) a building or other land improvement; *and*

(B) the land, not exceeding the area of the building footprint or improvement footprint, on which the building or improvement is located.

(b) **Undeveloped land** in the amount of the remainder of:

(i) the area of a parcel; *minus*

(ii) the area of the parcel that is part of:

(A) a homestead; *or*

(B) residential property.

(c) The term does not include agricultural land.

(6) *Personal property*. **HEA 1001**, Section 48 amended IC 6-1.1-1-11, **effective as of January 1, 2008 (retroactive)**. **HEA 1125** (P.L. 131-2008), Section 2, which was signed into law on March 24, 2008, made further changes to the definition of “personal property” **effective as of January 1, 2009**. The Department directs Counties to follow the amendments made in HEA 1125, as notated below, because that law was signed after HEA 1001 was signed into law on March 19, 2008. Please take into account that the changes indicated below from HEA 1125 are not effective until **January 1, 2009**.

(a) “Personal property” is defined as:

(i) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;

(ii) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5 [**HEA 1125, Section 2 deletes this subparagraph from the definition of “personal property”, eff. January 1, 2009**];

(iii) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed [**HEA 1125, Section 2 added the following subparagraphs (A) through (C), eff. January 1, 2009**]

(A) held for sale in the ordinary course of a trade or business;

(B) held, used, or consumed in connection with the production of income; *or*

(C) held as an investment;

(iv) all other tangible property (other than real property) which:

(A) is being held as an investment; *or*

(B) is depreciable personal property.

(v) mobile homes that do *not* qualify as real property and are not described as “all other tangible property” above [**HEA 1125, Section 2 added this subparagraph (v), eff. January 1, 2009**].

(b) Personal property does *not* include:

(i) Commercially planted and growing crops while they are in the ground.

(ii) Computer application software.

(iii) Inventory.

b. *Property Record Card Coding System.* Property Record Card coding is not addressed in HEA 1001, HEA 1293, or HEA 1125. However, the Department strongly recommends that the property record card coding system, which is already in place be expanded and maintained to identify the property use type breakdown and the total assessed value for each use type discussed above. Currently, a coding mechanism is in place for the residential (R) (with qualifying homesteads) assessed value portion of a property and a separate but related non-residential (NR) portion of the same property. Since the mechanics for the residential (R) and non-residential (NR) are already in place, the Department offers to assist the counties to develop a tracking system that will ensure the property Circuit Breaker cap rates are appropriately applied.

c. *Credit Against Tax Liability.* HEA 1001, Section 222 amended IC 6-1.1-20.6-7, **effective as of January 1, 2008 (retroactive)** and added subsection 7(c) to property taxes first due and payable in 2009. This new subsection states that a **person is entitled to a credit against the person's property tax liability**, and the amount of the credit is the amount by which the person's property tax liability attributable to the person's:

- (1) homestead exceeds one and five-tenths percent (1.5%);
- (2) residential property exceeds two and five-tenths percent (2.5%);
- (3) long term care property exceeds two and five-tenths percent (2.5%);
- (4) agricultural land exceeds two and five-tenths percent (2.5%);
- (5) nonresidential real property exceeds three and five-tenths percent (3.5%); or
- (6) personal property exceeds three and five-tenths percent (3.5%);

of the gross assessed value [i.e., per IC 6-1.1-20.6-1.6 (effective January 1, 2009), the assessed value of property after the application of all exemptions or any other provision] of the property that is the basis for determination of property taxes for that calendar year.

d. *Effect of Referendum Approval on Circuit Breaker Credit.* **Property taxes imposed after being approved by the voters in a referendum or local public question are not considered for purposes of calculating a person's Circuit Breaker credit.**

e. *Pre-July 1, 2008 Debt Service Effect in Lake and St. Joseph Counties.* Property taxes imposed in an **eligible county** to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008 are not considered for purposes of calculating a person's Circuit Breaker credit. An "eligible county" means a county for which the General Assembly determines in 2008 that the limits to property tax liability are expected to reduce in 2010 the total property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). **HEA 1001, Section 858 contains the General Assembly's declaration that Lake County and St. Joseph County are the only eligible counties.**

f. *Example.*

This is the first year when multiple variables really need to be analyzed carefully as there will be many instances where mix use properties will need to be allocated by their different use types. These use type differences will determine the Circuit Breaker cap rate.

Example 2 -- A funeral home has two (2) apartments within the same building. One apartment is *not* owner-occupied, but is leased to a tenant; and the other apartment is an owner-occupied homestead. The following breakdown in use type would apply in such a scenario:

(1) the funeral home would have a Circuit Breaker cap rate of three and five-tenths percent (3.5 %) as non-residential real property;

(2) the rental apartment would have a Circuit Breaker cap rate of two and five-tenths percent (2.5%) as residential property; and

(3) the owner's homestead apartment would have a Circuit Breaker cap rate of one and five-tenths (1.5%) as a homestead.

2009-pay-2010 and Beyond

4. 2009-pay-2010 and Beyond.

a. *Credit Against Tax Liability.* HEA 1001, Section 223 added IC 6-1.1-20.6-7.5, **effective on January 1, 2009**, as a new section to the Indiana Code. **A person is entitled to a Circuit Breaker credit against the person's property tax liability** for property taxes first due and payable in 2010 and thereafter. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:

- (1) **homestead exceeds one percent (1%);**
- (2) **residential property exceeds two percent (2%);**
- (3) **long term care property exceeds two percent (2%);**
- (4) **agricultural land exceeds two percent (2%);**
- (5) **nonresidential real property exceeds three percent (3%); or**
- (6) **personal property exceeds three percent (3%);**

-- of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

b. *Effect of Referendum on Circuit Breaker Credit.* **Property taxes imposed after being approved by the voters in a referendum or local public question are not to be considered for purposes of calculating a person's Circuit Breaker credit.**

c. *Pre-July 1, 2008 Debt Service Effect in Lake and St. Joseph Counties.* Property taxes imposed in an eligible county to pay debt service or make lease payments for bonds or leases issued or entered into *before* July 1, 2008, are not to be considered for purposes of calculating a person's Circuit Breaker credit. An "eligible county" is a county for which the General Assembly determines in 2008 that the limits to property tax liability are expected to reduce in 2010 the total property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). **HEA 1001, Section 858 contains the General Assembly's declaration that Lake County and St. Joseph County are the only eligible counties.**

d. *Example.*

Example 3 -- If a farmer has a homestead and thirty-one (31) acres with the following mixed uses: one (1) acre is part of the homestead, five (5) acres is excess residential acreage, twenty (20) acres is tillable crop land, and the remaining five (5) acres is a small industrial shop.

The following breakdown in use type would result:

(1) the farmer's house and one (1) acre homesite would have a Circuit Breaker cap rate of one percent (1.0%) as a homestead;

(2) the five (5) acres of excess residential land would have a cap rate of three percent (3.0%) as non-residential property probably as "undeveloped land";

(3) the twenty (20) acres of tillable crop land would also have a cap rate of two percent (2.0%) as agricultural land; and

(4) the five (5) acres of industrial shop area would have a cap rate of three percent (3.0%) as nonresidential real property.

5. Application of Circuit Breaker Credit.

a. *County Auditor Applies Credit Without Application.* HEA 1001, Section 224 amended IC 6-1.1-20.6-8, **effective as of March 19, 2008. A person is not required to file an application for the Circuit Breaker credit.** Rather, the county auditor is required to: (1) identify the property in the county eligible for the credit; and (2) apply the credit to property tax liability on the identified property.

b. *Senior Citizen Income-Based Credit.*

(1) HEA 1001, Section 225 added IC 6-1.1-20.6-8.5 as a new section to the Indiana Code, effective as of March 19, 2008. **This property tax relief applies to property taxes first due**

and payable in 2009 and thereafter. Eligibility for this credit is discussed in detail below and includes a homestead requirement; an age restriction (i.e., at least 65 years old); gross income limits; and a gross assessed valuation limit.

(2) This property tax relief applies to an individual who:

(a) **qualified for a homestead standard deduction** (IC 6-1.1-12-37) for the individual's homestead **in the immediately preceding calendar year** (or was married at the time of death to a deceased spouse who qualified for a homestead standard deduction in the immediately preceding calendar year); and

(b) **qualifies for a homestead standard deduction for the same homestead in the current calendar year.**

(3) An individual is entitled to an additional credit for property taxes first due and payable for a calendar year (e.g., May 10, 2009 and November 10, 2009) on a homestead *if* the homestead qualifies as **"qualified homestead property"** for the calendar year (e.g., 2009) and the filing requirements are met.

(a) Qualified Homestead Property. HEA 1001, Section 220 added IC 6-1.1-20.6-3.5 as a new section to the Indiana Code, **effective as of March 19, 2008**, to define "qualified homestead property" as a homestead that satisfies the following requirements:

(i) The individual who:

(A) owns the homestead;

(B) is purchasing the homestead under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; or

(C) has a beneficial interest in the owner of the homestead;

-- **is or will be at least sixty-five (65) years of age on or before December 31** of the calendar year immediately preceding the calendar year (e.g., December 31, 2008) in which property taxes are first due and payable (e.g., pay-2009).

(ii) The:

(A) adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the credit for a homestead; or

(B) combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse;

-- does ***not*** exceed the amount determined IC 6-1.1-20.6-8.5 [see paragraph 5(b)(4)] for the calendar year preceding the calendar year in which property taxes are first due and payable (e.g., pay-2009) by **two (2)** (e.g., use 2007 reported gross income).

(iii) The **gross assessed value** of the homestead on the assessment date for which property taxes are imposed is ***less than*** one hundred sixty thousand dollars (\$160,000).

(b) ***Application Filing Requirements.*** Applications for a credit must be filed in the manner provided for an application under IC 6-1.1-12-9 [real property or mobile or manufactured home; persons over age 65; surviving spouse]. **However, an individual who remains eligible for the credit in the following year is *not* required to file a statement to apply for the credit in the following year.** An individual who receives a credit in a particular year (e.g., pay-2009) and who becomes ineligible for the credit in the following year (e.g., pay-2010) must notify the county auditor of the individual's ineligibility before June 11 of the year in which the individual becomes ineligible.

(i) ***Manner in Which to File for Age 65 Deduction.*** HEA 1293 (P.L. 144-2008), Section 14 amended IC 6-1.1-12-10.1 [persons over 65 or surviving spouse; filing claim for deduction], **effective as of January 1, 2008 (retroactive)**, to allow an individual who desires to claim the deduction from the assessed value of their real property, or annually assessed mobile home or manufactured home for persons over the age of 65 to file a sworn statement, on forms prescribed by the Department, with the auditor of the county in which the real property, mobile home, or manufactured home is located. **With respect to real property, the application must be filed during the year for which the individual wishes to obtain the deduction** [June 11 filing deadline was eliminated]. With respect to an annually assessed mobile home or a manufactured home, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. **Form Number 43708, which is available at www.in.gov/icpr/webfile/formsdiv/43708.pdf, is to be used to receive the over age 65 deduction and the new senior citizen bill limiter credit.**

(ii) ***June 11 Filing Deadline Eliminated.*** Please note that **reference to the June 11 deadline above in IC 6-1.1-20.6-8.5(e) does *not* reflect the change made in HEA 1293 (P.L. 144-2008), Section 14**, which eliminated references to the June 11 application filing deadline for eligible real property owners in IC 6-1.1-12-10.1. **Thus, the Department hereby instructs the county auditor to ignore the June 11 deadline on the aforementioned state form 43708 and follow HEA 1293, which eliminates the June 11 filing deadline.**

(iii) ***No Assessment Date Ownership Requirement for Deduction or Credit.*** An individual may obtain a deduction from the assessed value of the individual's real property, or annually assessed mobile home or manufactured home, if the person owns the real property, mobile home, or manufactured home; or is buying the real property, mobile home, or manufactured home under contract -- **on the date the application for the deduction is filed. Thus, there is no requirement the applicant live in the property on the assessment date (i.e., March 1 or January 15) in order to receive the deduction for the following year. This same rule applies to those individuals who are eligible for the senior citizen bill limiter credit.**

(4) The **amount of the senior citizen income-based credit** is equal to the *greater* of zero (0) **or** the result of:

(a) the property tax liability [i.e., per IC 6-1.1-20.6-3, means the liability for the tax imposed on property determined after application of *all* credits and deductions, including the Circuit Breaker credit] first due and payable on the qualified homestead property for the calendar year; *minus*

(b) the result of:

(i) the property tax liability first due and payable on the qualified homestead property for the immediately previous year; *multiplied by*

(ii) one and two hundredths (1.02) [i.e., **credit applies if property taxes on individual's homestead increases by more than two percent (2%) from the prior year**].

-- However, property tax liability imposed on any improvements to or expansion of the homestead property *after* the assessment date for which property tax liability was imposed must *not* be considered in determining the credit in the current calendar year.

(5) The following adjusted gross income limits apply to an individual who claims a credit:

(a) In the case of an individual who files a **single return**, the adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the exemption **may not exceed thirty thousand dollars (\$30,000)**.

(b) In the case of an individual who files a **joint income tax return** with their spouse, the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and their spouse **may not exceed forty thousand dollars (\$40,000)**.

(6) The county auditor must, in a particular year, apply a credit to each individual who received the credit in the preceding year *unless* the auditor determines that the individual is no longer eligible for the credit.

6. Debt Service Obligations.

a. *Definition of "Debt Service Obligations of a Political Subdivision."* HEA 1001, Section 226 added IC 6-1.1-20.6-10, as a new section to the Indiana Code, **effective on July 1, 2008**. "Debt service obligations of a political subdivision" refers to:

(1) the principal and interest payable during a calendar year on bonds; *and*

(2) lease rental payments payable during a calendar year on leases;

-- of a political subdivision payable from ad valorem property taxes [IC 6-1.1-1-12 defines a "political subdivision" as a county, township, city, town, separate municipal corporation, special taxing district, or school corporation].

b. *Political Subdivisions are Required to Pay their Debts.* **Political subdivisions are required by law to fully fund the payment of their debt obligations** in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of Circuit Breaker tax credits. Any reduction in collections must be applied to the other funds of the political subdivision after debt service or lease rentals have been fully funded.

c. *Involvement of State Treasurer.* Upon the failure of a political subdivision to pay any of their debt service obligations when due, the State Treasurer, upon being notified of the failure by a claimant, is required to pay the unpaid debt service obligations that are due from money in the possession of the state that would otherwise be available for distribution to the political subdivision, deducting the payment from the amount distributed. A deduction under this subsection must be made:

(1) first from distributions of county adjusted gross income tax (CAGIT) distributions under IC 6-3.5-1.1, county option income tax (COIT) distributions under IC 6-3.5-6, or county economic development income tax (CEDIT) distributions under IC 6-3.5-7 that would otherwise be distributed to the county; and

(2) second from any other undistributed funds of the political subdivision in the possession of the state.

d. *State Must Ensure Obligations are Paid When Due.* This law must be interpreted liberally so that the state, to the extent legally valid, ensures that the debt service obligations of each political subdivision are paid when due. However, this section does not create a debt of the state.

7. Role of County Auditor.

a. *Certification of Credits to Department.* HEA 1001, Section 227 added IC 6-1.1-20.6-11 as a new section of the Indiana Code, **effective as of July 1, 2008**. The county auditor of each county must certify to the Department:

(1) the total amount of Circuit Breaker credits that are allowed in the county for the calendar year; and

(2) the amount that each taxing unit's distribution of property taxes will be reduced under IC 6-1.1-20.6-9.5 as a result of the granting of the credits.

b. *Amended Certification to Department.* If the amount of credits granted changes after the date the certification is made, the county auditor must submit an amended certification to the Department. The initial certification and the amended certifications must be submitted to the Department on the schedule prescribed by the Department.

8. Computing Excise Taxes or LOIT in 2009 and Beyond. HEA 1001, Section 228 added a new section to the Indiana Code, IC 6-1.1-20.6-12, which is **effective on July 1, 2008**. For purposes of computing and distributing *after* 2008 any excise taxes or local option income taxes (LOIT) for which the distribution is based on the amount of a taxing unit's property tax levy, the **computation and distribution of the excise tax or LOIT must be based on the taxing unit's property tax levy as calculated *before* any reduction due to Circuit Breaker credits** provided to taxpayers.

9. Lake County and St. Joseph County. HEA 1001, Section 858, **effective as of March 19, 2008**, declared that the **General Assembly** determined the following:

a. **Lake County and St. Joseph County** are counties for which limits to property tax liability under IC 6-1.1-20.6 (and as described in the proposed subsection (h) of Article 10, Section 1 of the Constitution of the State of Indiana as included in Senate Joint Resolution 1 of the 2008 session of the general assembly) **are expected to reduce in 2010 the total property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%).**

b. Lake County and St. Joseph County are each an eligible county for purposes of:

(1) the proposed subsection (h) of Article 10, Section 1 of the Constitution of the State of Indiana as included in Senate Joint Resolution 1 of the 2008 session of the general assembly; and

(2) IC 6-1.1-20.6 [Circuit Breaker chapter].

10. Sections Repealed. HEA 1001, Section 810 repealed, **effective January 1, 2009**, IC 6-1.1-20.6-9 [borrowing of money to compensate for reduction of tax collections]. Section 811 repealed, **effective January 1, 2009**, IC 6-1.1-20.6-1 ["apartment complex" defined]; IC 6-1.1-20.6-5 ["residential rental property" defined]; IC 6-1.1-20.6-6 [adoption of ordinance]; IC 6-1.1-20.6-6.5 [credit against tax liability for 2008].

11. Please contact your budget field representative, which you can locate at http://www.in.gov/dlgf/files/Budget_Field_Staff_Assignments_and_Numbers.pdf, or call at (317) 232-3773.